

## **Amalgamated Housing: The History of a Pioneer Co-Operative 1927 Bronx, New York**

At the turn of the last century a vast influx of immigrants moved into the Lower East Side in New York City. These newly arriving poor people were housed in squalid, overcrowded, walk up tenements, with no sunlight or ventilation. They used shared toilets in the hallways, or perhaps the lucky few had bathtubs in the kitchen. Most of these immigrants, a large number of whom were Jews, labored in the sweatshops of the needle trades, and other similarly deplorable work situations. With their bosses being as oppressive as their landlords, people found themselves living and working in equally desperate circumstances. In reaction to these shameful conditions, and while being denied any sort of rights, workers began to organize. They looked to unions, such as the Amalgamated Clothing Workers Union, to protect them, and improve their lot in life.

While World War I was being fought, decent shelter continued to be in short supply. There was no new building due to a lack of construction materials and labor. The landlords remained in control and took advantage of their captive tenants by raising rents and evicting people who could not afford to meet the new rates. When the war was over, and the veterans, wanting to marry and have children, returned home, the need for more housing became acute.

The landlords were not about to give up these profit generating tenements and continued buying and selling property, giving themselves permission to raise rents at will. When tenants could not pay the new monthly charges, they were turned out onto the street with all of their belongings left at the curb. The slum dwellers responded by organizing rent strikes to resist the landlords' greed. The landlords, in turn, took the indomitable tenants to court for non-payment of rent. The courts were glutted with such cases and the situation in New York was fast becoming chaotic.

At this time the president of the Amalgamated Clothing Workers Union was Sidney Hillman. An innovative labor leader, and champion of worker's rights, he believed in his version of collective bargaining, a concept he called industrial democracy. Hillman felt that it was not sufficient to provide workers with better working conditions without finding a way to improve their living conditions as well. He appointed the director of the Amalgamated Credit Union, Abraham Kazan, to come up with a plan to solve the housing shortage for these middle and low income workers. Kazan - no one ever called him anything but Kazan - was a Russian socialist, a progressive thinker, cultured, intelligent, financially conservative, and committed to helping the working family of limited means.

Kazan had the idea of setting up a non-profit co-operative for affordable housing. His concept was like a three legged stool. People would buy shares in the corporation which would give them a stake in the organization. Thus they would own a piece of the corporation, but not their individual apartments. They could not sell their shares on the open market; they could only sell them back to the corporation. The members were guaranteed that their shares would be repurchased by the co-op when they moved out, for

their original investment, with very little, or no profit. That initial per room outlay, plus a moderate rent, known as a carrying charge, would finance the co-operative, and help to secure a mortgage.

The second leg of the stool was that the co-op would be a non-discriminatory, democratically run, organization, open to all people, not just union members. Each apartment equaled one vote. It did not matter how big or small your home was; everyone was an equal voting member of the development. There would be regular elections of a Board of Directors, who were outsiders, and would sit on the board with no financial remuneration, and would be responsible for overseeing the manager. A House Committee would be elected by the residents from their own constituency. They would represent their neighbors and work with the Board to run the day to day governance of the community. Eventually the House committee was abandoned and the Board of Directors was made up entirely of in-house co-operators.

The third leg of the stool was the requirement of continuing education for the benefit of the members. They could not be enlightened participants in the management of this co-operative housing unless they were knowledgeable about the economic and social issues, and needs, facing this tenant owned and tenant run community.

Just at that time the Governor of New York State, Alfred E. Smith, who grew up on the Lower East Side, recognized that something had to be done to ease the apartment shortage and the chaos in the courts. He was instrumental in passing the Limited Dividend Housing Act of 1926 which encouraged the development of affordable housing. This act permitted municipalities to set aside land for moderately priced housing to be built by private developers. This limited dividend, limited profit, housing would receive a 20 year tax exemption from municipal real estate taxes.

The profit seeking landlords were not interested in utilizing the provisions of this new law, but Kazan was eager to seize this opportunity. He had already been able to raise \$5000 for the initial down payment on a swath of land that was bordered by Van Cortlandt Park, the largest park in New York City, on one side, Jerome Park Reservoir on the other, and Moshulu Parkway on the third. It was a lovely setting with trees and grass, and as far away from the Lower East Side in every way imaginable. The development was to become the Amalgamated Houses and is the oldest limited dividend - now called limited equity - housing development in the United States.

Each room in the prospective 303 unit development required a \$500 per room investment, and the rent was set at \$11 per room/per month including utilities. Kazan used the down payments on the investments of the future "Pioneers", along with the funds, and good name of Sidney Hillman, and the Amalgamated Clothing Workers Union, as collateral to secure a mortgage which was granted by Metropolitan Life Insurance Company. As construction began, some unexpected financial problems arose, and The Jewish Daily Forward, a Yiddish socialist newspaper in New York, made several emergency loans to bring the project to completion. These loans were all eventually repaid.

The Amalgamated Clothing Workers Union and The Jewish Daily Forward set up a credit fund with the Amalgamated Bank allowing those people who could not meet the total initial investment requirements to borrow up to 50% of their down payments, which they paid off over ten year's time.

The first building, romantically named The First Building, became home to the 303 pioneer co-operators who began moving in, in November 1927. Half of the land for the First Building was allocated to the apartments themselves, and half was devoted to the courtyard which had gardens and walkways, fountains, trees and benches. Sunlight and fresh air were plentiful. The First Building actually was 5 separate buildings; the Sixth Building was built on the next block. Designed in faux Tudor style, The First Building was divided up into approximately 26 entrances with 9-11 apartments per entrance, and no elevators for a 4 floor walkup. Each unit had 2 or 3 apartments per floor. Each entrance had its own smaller group of apartments, thereby breaking down the larger development into more cohesive sub groups.

Each apartment had hardwood floors throughout and ceramic tile bathrooms with marble thresholds. The kitchen was eat-in and there was a foyer and a living room. The apartments to be selected had 1, 2, or 3 bedrooms. They all had cross ventilation and sunlight. Some of the larger apartments had 3 exposures, depending on where they were located in the building. A typical 2 bedroom apartment cost \$2000 down and \$44 per month rent which included utilities.

The first service that the neighborhood recognized it needed was easy access to food. A Co-Op grocery store for fruits and vegetables, and other sundry items was arranged in a community room that was set aside in the First Building. Although anyone could shop there, this store was organized along a co-operative model. Each family that wished to could buy a \$10 share in what was eventually called the Amalgamated Housing Consumers Society. With membership, came the opportunity for a rebate. Each member shared the annual profits divided by the amount of goods each family purchased in the previous year.

A milk delivery system was also established. The community consumed 400-500 quarts of milk a day. If it could be purchased wholesale and sold close to cost, milk could be bought for a reduced fee by any resident family. With milk came the need for ice. So a communal ice delivery system was organized, and the ice was hauled up in the dumbwaiters in each apartment. Electric refrigerators were installed in 1934 eliminating the need for ice delivery. A pharmacy was opened. Stores in the community rooms were set aside for a kosher butcher, a tailor, a barbershop, and a shoe repair shop. A Tea Room was opened.

The second goal to be reached was the creation of a library, as people wanted to be able to enjoy the benefits of reading and learning. Kazan felt strongly that it was not sufficient just to have good homes to live in; residents were encouraged to expand their horizons through a broadened education. Neighbors donated literature in Yiddish and English, and the New York City Public Library brought a new supply of books every 3 months to the

Library Room in the Sixth Building. Eventually, a branch of the Public Library was located in the Amalgamated.

As there were many children who needed to attend school and the school was a mile or so away, a bus was purchased for their transportation. The children were driven to school in the morning, home for lunch, and then back to school again in the afternoon. After some neighborhood mothers successfully organized for a local school building, the necessity for a bus came to an end. In 1933 the City of New York built a K-8 elementary school, Public School 95, in the middle of the community. In 1929 a day camp was established, called Circle Pines Day Camp, to keep children occupied during the summer months.

Education also encompassed exposure to the arts, and so every kind of creative expressive activity was encouraged: dance, music, art, theatre in Yiddish and English, woodworking, and photography - including a darkroom for developing film. Sunday Forum discussions and political debates were regularly scheduled. There was an auditorium in the Sixth Building where lectures, concerts, meetings, and other cultural events were held. In 1929, the co-op began printing an in-house newspaper, The Community News, which was widely read. This new co-operative flourished and the Seventh Building was opened in 1929. These new courtyard centered sub-buildings had elevators for the 202 units distributed over 8 entrances. My parents moved into H-12 in 1932.

Everything was going along well for this young development until the Depression hit, for which the Amalgamated was unprepared. There were no contingency plans for a reserve fund or a strategy for occupying vacant apartments. How were the shares of departing co-operators going to be repurchased, which was essential to maintaining the full confidence of the residents? Where was the money going to come from to pay back their original investment? How would the community continue on faced with so many unemployed members? These were the darkest hours for the Amalgamated.

Kazan went to the residents and approached the Board and the House Committee with ideas for survival. He renegotiated some of the mortgage arrangements, an austerity plan was put into place, and co-operators volunteered to do janitorial work in the buildings. A generating plant was built a few years later so cheaper electricity could be produced rather than purchased from an outside utility.

Kazan encouraged the co-operators to begin an Emergency Relief Fund in order to keep the Amalgamated viable. This was a voluntary contribution of a dollar a month per family (or more if possible) for a reserve fund that would offset any loss of rent money due to unemployment of a neighbor. If a head of household lost a job, and could demonstrate that he or she was seeking new employment in good faith, that family could remain rent free, for up to a year. These co-operators were expected to repay the missed rent when they were working once again. Only two families were evicted for lack of an obvious search for work. All the arrears were eventually repaid by those who benefited from the Emergency Relief Fund.

Vacant apartments were rented out for a higher carrying charge than \$11, and a lowered per room investment of \$200. The new residents could stay on for two and a half years. If the new family liked living in the Amalgamated, they could remain and apply the excess rent they had already paid in to bring their investment up to the \$500 per room level. By taking all of these measures the Amalgamated endured the worst years of the Depression. All shares of departing co-operators were repurchased for their original investment, and the neighborhood continued on, and expanded, when prosperity returned. More buildings were built and contiguous land was purchased for future development. The Van Cortlandt Co-Operative Federal Credit Union was started in 1936.

When World War II broke out massive activities were undertaken to support the war effort. A victory garden was planted in the Amalgamated and canning was done. War Bonds were sold, and food and clothing drives were held. The electrical generating plant had to be closed down at the urgent request of the government as it needed all available petroleum to fight in Europe and the Pacific. A Service Fund was established for any of the 200 families who had a person in the military and could not afford to pay the full rent. They were allowed to pay half of the monthly charges until their relatives in the armed forces returned home. The other co-operators contributed to this fund as they had during the Depression. When the Service Fund was no longer needed, the remaining money was returned to the people who had contributed their financial support.

When World War II was over, no construction, other than for veterans was allowed, as there was a national shortage of building materials. So Kazan put up a small building for the returning men who had been in uniform. A large coming home party was organized and the Amalgamated welcomed back the men and women who had served their country. All in all the 1940's were good years for the Amalgamated and a couple of rent free months were declared to disperse the profits that had accrued.

The political awareness of the neighborhood was always part and parcel of its ethos. This was a progressive community and every shade of the liberal left was represented. There was no discrimination against any political belief, and it was understood that the Amalgamated was not going to be used as a spokesman for any particular ideology. However, group actions were taken by the co-operators, such as food and clothing drives for striking miners and locked out textile workers, support for the Spanish Republicans, and victims of the holocaust, as well as displaced people in European countries. In the late 1950's the decision was made not to sell table grapes and iceberg lettuce in the Co-Op store in order to demonstrate solidarity with Cesar Chavez and the United Farm Workers union.

The Amalgamated was predominantly white and Jewish and contained the expression of a range of religious observance and identification with Judaism. We had an Orthodox synagogue and Workmen's Circle, a fraternal, socialist organization dedicated to the preservation of Yiddish life and progressive idealism. In addition a Catholic Church was a few blocks away and a Catholic nursing home was nearby.

By the 1960's the old First Building was considered archaic as no one wanted to live in a four story walk up apartment. It was torn down and two modern air conditioned, high rise apartment buildings were built in its place. With The Towers, the Amalgamated reached its present size of 1500 families in 11 buildings on 15 acres about a half mile by a half mile, still between Van Cortlandt Park and the Jerome Park Reservoir. The 2007 per room investment rose to almost \$6000 (approximately \$500 in 1927 dollars), and the carrying charges are now, on average, \$175.00 per room per month. With Fair Housing legislation, and the intrinsic non-discriminatory, non-sectarian nature of the co-operative housing philosophy, the Amalgamated became entirely diverse racially, religiously, and ethnically.

The Co-Op store no longer exists, but educational and cultural activities have continued on and are actively supported by the co-operators. There are classes and studios for ceramics, photography, painting, woodworking, visual arts and a writers' workshop meets regularly. The quarterly Community News and weekly Co-Op Bulletin are printed and distributed. The International Food and Music Night is a much anticipated annual festival. Membership is available for the fitness facility, and the playgroup, licensed nursery, and day camp are subscribed to by families with young children.

The Amalgamated has also been designated as a NORC - a Naturally Occurring Retirement Community. The NORC program demonstrates teamwork between the Education Department of the Amalgamated, the Bronx Jewish Community Council, and a NORC Advisory Committee of senior co-operators. Funding comes from New York City and New York State, and from foundations. The large variety of social services and programs provided allow the elderly to continue living independently in their own homes in their own community.

The Amalgamated Housing Co-Operative in Van Cortlandt Village, Bronx, NY, is a family neighborhood and remains a beautifully landscaped and well cared for development. People from all walks of life take pride in living there. A long waiting list for vacant apartments is maintained in the main office for future co-operators to join this unique and long lived community.

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